

CEMENTIR - Cementerie del Tirreno S.p.A.
Registered office: Corso di Francia, 200, Rome, Italy
Company Register of the Court of Rome, reg. no. 2311/2313/51
Share capital: €159,120,000, fully paid-up

Report on the proposals concerning the matters placed on the Agenda for the Extraordinary and Ordinary Shareholders' Meeting called for 15 January 2008 and for 16 January 2008, in second calling, if necessary.

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REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

The Extraordinary and Ordinary Shareholders' Meeting called for 15 January, in first calling, and on 16 January 2008, in second calling, is set to vote upon the following agenda:

Extraordinary business:

- 1) Change of the Company's name and corresponding amendments to the Company's bylaws;
- 2) Creation of the position of Honorary Chairman and corresponding amendments to the Company's bylaws;
- 3) Approval of a capital increase backing one or more stock incentive plans and corresponding amendments to the Company's bylaws.

On point 1) of the Agenda: Change of the Company's name and corresponding amendments to the Company's bylaws.

On 8 November 2007, the Board of Directors of CEMENTIR - Cementerie del Tirreno S.p.A. ("**Cementir**" or the "**Company**") approved a corporate reorganization plan in order to adapt the current management model to reflect the multinational dimension that the group has acquired in recent years. The reorganization involves the transfer of Cementir's Italian operations to a wholly-owned subsidiary, thus separating its direction and control functions from its purely operational functions. Therefore, in order to represent this new Company structure, the name of Cementir - Cementerie del Tirreno S.p.A. shall be changed to Cementir Holding S.p.A..

With regard to point 1) of the Agenda, we ask that the shareholders adopt the following resolution: "The Shareholders' Meeting of Cementir- Cementerie del Tirreno S.p.A.

Resolves

- to change the Company's name from "Cementir - Cementerie del Tirreno S.p.A." to "Cementir Holding S.p.A." and to thus amend Art. 1 of the Company's bylaws".

On point 2) of the Agenda: Creation of the position of Honorary Chairman and corresponding amendments to the Company's bylaws.

The Board of Directors of the Company proposes the creation through the bylaws of the position of Honorary Chairman to be bestowed upon a person who has distinguished himself through the commitment made to and the results achieved on behalf of the Company, as well as for professional achievements.

With regard to point 2) of the Agenda, we ask that the shareholders adopt the following resolution: "The Shareholders' Meeting of Cementir - Cementerie del Tirreno S.p.A.

Resolves

- to amend the bylaws by inserting the following text: "The Shareholders' Meeting may elect an Honorary Chairman who need not be chosen from among the members of the Board of Directors and who shall be selected from among those persons who have distinguished themselves for the commitment made to and the results achieved on behalf of the Company, as well as for achievements over the course of their professional careers. The Honorary Chairman may attend Board meetings in an advisory role and shall not have the right to cast a vote. The Honorary Chairman shall be entitled to receive the same remuneration as the members of the Board of Directors as determined by the bylaws and by the Shareholders' Meeting".

On point 3) of the Agenda: Approval of a capital increase backing one or more stock incentive

plans and corresponding amendments to the Company's bylaws.

The Board of Directors of the Company has proposed a share capital increase of up to €162,302,400 by issuing a maximum of 3,182,400 ordinary shares without pre-emption rights to back one or more stock incentive plans, upon which the Shareholders' Meeting must decide, pursuant to Art. 2441(8) of the Civil Code. In this regard, the Board of Directors has evaluated the idea of preparing the plan and shall establish the guidelines at the next Board meeting. It should be noted that the plan is an appropriate tool for creating and increasing value for the Company. The plan could be one of the primary tools for aligning the interests of the directors with executive powers and of managers with strategic responsibilities with those of the Company and the shareholders. Moreover, the Plan would also be approved in order to equip the Company with a strong incentive and loyalty-generating tool for persons who have strategic responsibilities within the Company. Influencing the performance of those who, due to the positions held or duties performed within the Company and/or its subsidiaries, are most able to affect the Company's results by tying a portion of their compensation to increasing value for the Company is considered to be a key to the success of the Company.

With regard to point 3) of the Agenda, we ask that the shareholders adopt the following resolution: "The Shareholders' Meeting of Cementir - Cementerie del Tirreno S.p.A.

Resolves

- to increase the share capital up to €162,302,400 by issuing a maximum of 3,182,400 ordinary shares without pre-emption rights to back one or more stock incentive plans, pursuant to Art. 2441(8) of the Civil Code. As a result, pursuant to Article 2443(2) of the Civil Code, the Board of Directors shall have the power to increase, one or more times, the share capital up to €162,302,400 and thus may issue up to 3,182,400 ordinary shares with a par value of €1 each".

The Board of Directives believes that the proposed amendments to the bylaws do not trigger the shareholders' right of withdrawal as the conditions provided by Art. 2437 of the Civil Code have not been met.

Ordinary business:

- 1) Ratification of the appointment of a member of the Board of Directors pursuant to Art. 2386 of the Italian Civil Code with approval of the related resolutions;
- 2) Increase in the number of directors from thirteen to fifteen and the consequent appointment of two new Board members with approval of the related resolutions;
- 3) Appointment of an Honorary Chairman with approval of the related resolutions;
- 4) Approval of a stock incentive plan.

On point 1) of the Agenda for the Ordinary Shareholders' Meeting: Ratification of the appointment of a member of the Board of Directors pursuant to Art. 2386 of the Italian Civil Code with approval of the related resolutions.

Following the resignation of Director Luciano Leone on 9 November 2007 effective immediately, on 3 December 2007 the Board of Directors appointed Massimo Confortini to replace Mr. Leone in accordance with Art. 2386 of the Civil Code and Art. 5 of the Company's bylaws, having first determined that he met the required personal, professional and independence standards.

In this regard, it should be noted that, in accordance with the Issuers Regulation (approved by CONSOB resolution 11971 of 14 May 1999, as amended), Mr. Confortini's curriculum vitae, containing all the information concerning his personal and professional characters, as well as his declaration that he meets the requirements for independence, pursuant to Art. 148(3) of Legislative Decree 58/1998, shall be filed at the Company's registered office, with CONSOB and published on the Company's website within the terms provided by applicable law and regulations.

The Board of Directors proposes that the Shareholders' Meeting ratify the appointment of Massimo Confortini as a director until the end of the current Board's term, i.e. until the Shareholders' Meeting called to approve the financial statements at 31 December 2008.

With regard to point 1) of the Agenda, we ask that the shareholders adopt the following resolution:

“The Shareholders’ Meeting of Cementir- Cementerie del Tirreno S.p.A.

Resolves

- to ratify the appointment to the Board of Directors of Massimo Confortini, born in Avezzano (AQ) on 16 February 1954, fiscal code CNF MSM 54B16 A515X, domiciled for the purposes of this position at Corso Francia, 200, Rome;
- to establish that the term of office of the newly appointed director shall end at the completion of the term of office of the current Board expected with the approval of the financial statements for the period ended 31 December 2008;
- to authorize that the newly appointed director receive the remuneration fixed by the Shareholders’ Meeting of 20 April 2006 for the other members of the Board of Directors, specifically €1,000.00 (one thousand), for each Board meeting he attends, in addition to reimbursement of expenses incurred by virtue of his position”.

On point 2) of the Agenda of the Ordinary Shareholders’ Meeting: Increase in the number of directors from thirteen to fifteen and the consequent appointment of two new Board members with approval of the related resolutions.

Noting that, pursuant to Art. 5 of the bylaws, the Board may consist of between five and fifteen members for a period of office of three years, on 3 December 2007 the Board of Directors of the Company decided to propose to the Shareholders’ Meeting that the number of directors be increased to fifteen and that, as a result, two new directors be appointed.

In addition, we would like to specify that, pursuant to Art. 144-octies of the Issuers Regulation, approved by CONSOB Regulation 11971 of 14 May 1999, as amended, the proposals for their appointments as directors, along with extensive information on their personal and professional characters, as well as their declarations that they meet the requirements for independence, pursuant to Art. 148(3) of Legislative Decree 58/1998, shall be filed at the Company’s registered office, with **CONSOB** and published on the Company’s website within the terms as provided by applicable law and regulations.

With regard to point 2) of the Agenda, we ask that the shareholders adopt the following resolution: “The Shareholders’ Meeting of Cementir- Cementerie del Tirreno S.p.A.

Resolves

- to increase the number of directors from thirteen to fifteen;
- to appoint two new directors and to establish that their terms of office shall end with the conclusion of the term of the current Board expected to end with the approval of the financial statements at 31 December 2008;
- to authorize that the newly appointed directors receive the remuneration fixed by the Shareholders’ Meeting of 20 April 2006 for the other members of the Board of Directors, specifically €1,000.00 (one thousand) for each Board meeting they attend, in addition to reimbursement of expenses incurred by virtue of their positions”.

On point 3) of the Agenda of the Ordinary Shareholders’ Meeting: Appointment of an Honorary Chairman with approval of the related resolutions.

The Board of Directors has proposed the nomination, from outside of the Board of Directors, of Luciano Leone as Honorary Chairman in recognition of the commitment shown during his many years of professional service in positions of increasing prominence within the Company.

With regard to point 3) of the Agenda, we ask that the shareholders adopt the following resolution: “The Shareholders’ Meeting of Cementir- Cementerie del Tirreno S.p.A.

Resolves

- to appoint, from outside of the Board of Directors, Luciano Leone, born in Naples on 5 November 1927, as Honorary Chairman of the Company and to authorize that he receive the remuneration fixed by the Shareholders’ Meeting of 20 April 2006 for the other members of the Board of Directors, specifically €1,000.00 (one thousand) for each Board meeting he attends, in addition to reimbursement of expenses incurred by virtue of his honorary position”.

On point 4) of the Agenda of the Ordinary Shareholders' Meeting: Approval of a stock incentive plan.

The Board proposes to submit for the approval of the Shareholders' Meeting a stock incentive plan having the guidelines that shall be established during the next meeting of the current Board and that shall be communicated to the market, in accordance with Art. 84-bis of the Issuers Regulation, adopted by CONSOB Regulation 11971 of 14 May 1999, as amended.

Rome, 7 December 2007

On behalf of the Board of Directors
The Chairman
Francesco Caltagirone Jr.

ANNEX "A"

Current text	PROPOSED TEXT-AMENDMENTS
<p align="center">BYLAWS ART. 1 – Company name</p> <p>The Company limited by shares with the name of "CEMENTIR - Cementerie del Tirreno S.p.A." was incorporated on February 4, 1947 in Trieste with a deed prepared by the notary Giovanni Iviani of Trieste.</p> <p>The Company's registered office is in Rome and it shall remain in being until December 31, 2050 unless extended by a resolution of the Shareholders' Meeting.</p> <p>Secondary offices, branches, representative offices and agencies may be opened, changed and closed in Italy and abroad, and the address of the registered office may be transferred within the same municipality with a resolution of the Board of Directors.</p>	<p align="center">BYLAWS ART. 1 – Company name</p> <p>The Company limited by shares with the name of "CEMENTIR HOLDING S.p.A." was incorporated on February 4, 1947 in Trieste with a deed prepared by the notary Giovanni Iviani of Trieste.</p> <p>The Company's registered office is in Rome and it shall remain in being until December 31, 2050 unless extended by a resolution of the Shareholders' Meeting.</p> <p>Secondary offices, branches, representative offices and agencies may be opened, changed and closed in Italy and abroad, and the address of the registered office may be transferred within the same municipality with a resolution of the Board of Directors.</p>
<p align="center">SHARE CAPITAL-SHARES ARTICLE 3</p> <p>Share capital is €159,120,000 (one hundred and fifty-nine million one hundred and twenty thousand), divided into 159,120,000 (one hundred and fifty-nine million one hundred and twenty thousand) shares with a par value of €1 (one) each.</p> <p>The shares are not divisible. When fully paid up, shares may be bearer shares, where permitted by law, and may be converted into registered shares, and vice-versa, at the request and expense of the shareholder.</p> <p>Each share entitles the holder to one vote. Being a shareholder constitutes acceptance of the articles of incorporation and these bylaws and implies election of the registered office of the Company as the domicile for all dealings with the Company.</p>	<p align="center">SHARE CAPITAL-SHARES ARTICLE 3</p> <p>Share capital is €159,120,000 (one hundred and fifty-nine million one hundred and twenty thousand), divided into 159,120,000 (one hundred and fifty-nine million one hundred and twenty thousand) shares with a par value of €1 (one) each.</p> <p>Pursuant to Article 2443(2) of the Civil Code, the Board of Directors shall have the power to increase, one or more times, the share capital up to €162,302,400 and thus may issue up to 3,182,400 ordinary shares with a par value of €1 each, to back one or more stock incentive plans, without pre-emption rights under Article 2441(8).</p> <p>The shares are not divisible. When fully paid up, shares may be bearer shares, where permitted by law, and may be converted into registered shares, and vice-versa, at the request and expense of the shareholder.</p> <p>Each share entitles the holder to one vote. Being a shareholder constitutes acceptance of the articles of incorporation and these bylaws and implies election of the registered office of the Company as the domicile for all dealings with the Company.</p>

BOARD OF DIRECTORS
ARTICLE 5

The Company shall be administered by a Board of Directors consisting of between five and fifteen members elected by the Shareholders' Meeting. Directors shall be appointed for a term of three years, which shall expire on the date of the Shareholders' Meeting called to approve the financial statements for the final year in which they are in office.

Directors may be re-elected in accordance with Article 2383 of the Civil Code.

Members of the Board of Directors shall be elected on the basis of slates submitted by shareholders with voting rights representing at least 2% of share capital or any different threshold that shall be set in accordance with applicable law. Slates shall be filed at the Company's registered office at least 15 days prior to the date set for the Shareholders' Meeting at first calling.

The slates shall identify the candidates meeting statutory independence requirements and shall be accompanied by the curriculum vitae of the candidates demonstrating their professional and personal qualifications and their acceptance of the candidacy.

Each shareholder may submit or take part in the submission of only one slate containing a maximum of 15 candidates, numbered in descending order. Each candidate may only appear on one slate or be subject to disqualification. Persons submitting slates shall demonstrate that they are shareholders by filing accompanying documentation at the same time showing that they hold the number of shares required to submit the slate.

The lead candidate on the minority slate who receives the largest number of votes and who is not connected in any way, directly or indirectly, with the slate that received the most votes shall be elected a Director. The other members of the Board of Directors shall be selected in numerical order from the slate that received the largest number of votes.

In the event only one slate is submitted or where only one slate receives votes, all the candidates from that slate shall be deemed elected on the basis of ordinary statutory majorities.

As to the allocation of Directors to be elected, slates that fail to receive a percentage vote that is at least half the percentage required to present a slate shall be disregarded.

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<p>Meeting shall elect Directors on the basis of statutory majorities without following the above procedures.</p> <p>If one or more Directors should leave the Board during the year, the provisions of Article 2386 of the Civil Code shall apply.</p>	<p>Meeting shall elect Directors on the basis of statutory majorities without following the above procedures.</p> <p>If one or more Directors should leave the Board during the year, the provisions of Article 2386 of the Civil Code shall apply.</p> <p>The Shareholders' Meeting may elect an Honorary Chairman who need not be chosen from among the members of the Board of Directors and who shall be selected from among those persons who have distinguished themselves for the commitment made to and the results achieved on behalf of the Company, as well as for achievements over the course of their professional careers. The Honorary Chairman may attend Board meetings in an advisory role and shall not have the right to cast a vote. The Honorary Chairman shall be entitled to receive the same remuneration as the members of the Board of Directors as determined by the bylaws and by the Shareholders' Meeting.</p>